

HISTORY, ARTS, AND LIBRARIES S.B. 231

02/20/2007

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FULL-TIME EQUATED (FTE) POSITIONS/ FUNDING SOURCE	FY 2006-07 YEAR-TO-DATE	FY 2007-08 GOV'S REC.	GOVERN AMOUNT	PERCENT	
TONDING COUNCE	TEAR TO DATE	COVO NEO.	AWOON	TEROLIVI	
FTE Positions	232.0	228.0	(4.0)	(1.7)	
GROSS	54,863,700	47,453,400	(7,410,300)	(13.5	
Less:					
Interdepartmental Grants Received	79,000	139,200	60,200	76.2	
ADJUSTED GROSS	54,784,700	47,314,200	(7,470,500)	(13.6)	
Less:					
Federal Funds	8,450,900	7,307,400	(1,143,500)	(13.5)	
Local and Private	577,400	112,400	(465,000)	(80.5)	
TOTAL STATE SPENDING	45,756,400	39,894,400	(5,862,000)	(12.8	
Less:					
Other State Restricted Funds	2,581,200	2,645,600	64,400	2.5	
GENERAL FUND/GENERAL PURPOSE	43,175,200	37,248,800	(5,926,400)	(13.7)	
PAYMENTS TO LOCALS	14,058,900	7,987,400	(6,071,500)	(43.2)	

								CHANGES FR	OM FY 2006-0	7
			FY 2006-07 YTD	FY 2007-08 GOVERNOR	FY 2007-08 SENATE	FY 2007-08 HOUSE	GOVERNOR	SENATE	HOUSE	CONF/ENACTED
DEPAR	RTMENT OF HISTORY, ARTS AND LIBRARIES									
1. Un Go	RTMENT OPERATIONS nclassified Salaries overnor: No change from current year. enate:	FTE (Uncl) Gross GF/GP	6.0 222,300 222,300	6.0 222,300 222,300			0.0 0 0			
Go Tra Tra 2. Ad	anagement Services overnor: Economics - \$118,600 ansfer in GF from Library - \$300,000 ansfer in Econ. Dev. Coord. from Arts - 2.0 FTE's and \$315,000 dministrative efficiency - (\$37,800)	FTE Gross GF/GP	29.0 2,090,600 2,090,600	29.0 2,786,400 2,786,400			0.0 695,800 695,800			
3. Bu Go Tra \$ Inc	enate: dilding Occupancy Charges and Rent overnor: Economics - \$(\$165,900) ansfer from Treasury for records storage - \$92,600 crease for relocation of museum artifacts - \$171,000	Gross GF/GP	3,180,100 3,180,100	3,277,800 3,277,800			97,700 97,700			
Se	enate:									
	orker's Compensation overnor: Economics - (\$5,000)	Gross GF/GP	14,000 14,000	9,000 9,000			(5,000) (5,000)			
Se	enate:									
Go	m Office overnor: Economics - \$5,300 enate:	FTE Gross GF/GP	1.0 175,000 175,000	1.0 180,300 180,300			0.0 5,300 5,300			

							CHANGES FR	OM FY 2006-0	7
		FY 2006-07 YTD	FY 2007-08 GOVERNOR	FY 2007-08 SENATE	FY 2007-08 HOUSE	GOVERNOR	SENATE	HOUSE	CONF/ENACTED
DEPARTMENT OF HISTORY, ARTS AND LIBRARIES									
Human Resources Optimization User Charges Governor: Economics - \$400	Gross GF/GP	16,100 16,100	16,500 16,500			400 400			
Senate:									
INFORMATION TECHNOLOGY 1. Information Technology Projects and Services Governor: Economics - \$36,400 End of 4 year HR Opt. Proj (14,700) Increase to support Department web portal - \$140,000 Enterprise reduction - (\$15,600)	Gross Restricted GF/GP	953,100 46,900 906,200	1,099,200 47,000 1,052,200			146,100 100 146,000			
Senate:									
COUNCIL FOR ARTS AND CULTURAL AFFAIRS 1. Administration Governor: Economics - \$17,800 Transfer Econ. Dev. Coord. to Mgmt. Serv. line above - (2.0) FTE's and (\$315,000) Administrative reduction - (4.0) FTE's (\$125,000) Senate:	FTE Gross GF/GP	9.0 726,600 726,600	3.0 304,400 304,400			(6.0) (422,200) (422,200)			
Arts and Cultural Grants Governor: No change from current year. Senate:	Gross Federal GF/GP	10,144,300 700,000 9,444,300	10,144,300 700,000 9,444,300			0 0 0			
MACKINAC ISLAND STATE PARK COMMISSION 1. Mackinac Island Park Operation Governor: Economics - \$55,100 Senate:	FTE Gross Restricted GF/GP	24.3 1,489,000 154,500 1,334,500	24.3 1,544,100 160,200 1,383,900			0.0 55,100 5,700 49,400			
Historical Facilities System Governor: Economics - \$50,800	FTE Gross	14.7 1,928,600	14.7 1,948,500			0.0 19,900			

							CHANGES FR	OM FY 2006-0	7
		FY 2006-07 YTD	FY 2007-08 GOVERNOR	FY 2007-08 SENATE	FY 2007-08 HOUSE	GOVERNOR	SENATE	HOUSE	CONF/ENACTED
DEPARTMENT OF HISTORY, ARTS AND LIBRARIES									
Early Retirement sick leave payout - (\$3,000) Administrative efficency - (\$27,900) Senate:	Federal Restricted GF/GP	200,000 1,521,200 207,400	200,000 1,566,000 182,500			0 44,800 (24,900)			
MICHIGAN HISTORICAL PROGRAM 1. Historical Administration and Services Governor: Economics - \$308,700 Early retirement sick leave payout - (\$5,400) Transfer GF from Library - \$200,000 Increase for costs of MDOT archeological plan reviews - \$40,000.	FTE Gross IDG Restricted GF/GP	71.0 5,269,500 79,000 71,700 5,118,800	71.0 5,812,800 139,200 85,500 5,588,100			0.0 543,300 60,200 13,800 469,300			
Senate:									
 Federal Programs Governor: Economics - \$28,300 Reduce Federal spending authority - (\$1,171,800) Senate: 	FTE Gross Federal GF/GP	12.0 1,993,500 1,993,500 0	12.0 850,000 850,000 0			0.0 (1,143,500) (1,143,500) 0			
Heritage Publications Governor: No change from current year. Senate:	Gross Restricted GF/GP	700,000 700,000 0	700,000 700,000 0			0 0 0			
Private Grants and Gifts Governor: Reduce spending authority - (\$390,000) Senate:	Gross Private GF/GP	502,400 502,400 0	112,400 112,400 0			(390,000) (390,000) 0			

							CHANGES FR	ROM FY 2006-0	7
		FY 2006-07 YTD	FY 2007-08 GOVERNOR	FY 2007-08 SENATE	FY 2007-08 HOUSE	GOVERNOR	SENATE	HOUSE	CONF/ENACTED
DEPARTMENT OF HISTORY, ARTS AND LIBI	RARIES								
 Thunder Bay National Marine Sancturary a Underwater Preserve Governor: Economics - \$4,500 	nd Gross GF/GP	197,500 197,500	202,000 202,000			4,500 4,500			
Senate:									
LIBRARY OF MICHIGAN									
 Book Distribution Centers Governor: Eliminate funding. 	Gross GF/GP	350,000 350,000	0 0			(350,000) (350,000)			
Senate:									
Collected gifts and fees Governor: Reduce spending authority - (\$7	Gross (5,000) Restricted	161,900 86,900	86,900 86,900			(75,000) 0			
Senate:	Private GF/GP	75,000 0	0			(75,000) 0			
Library of Michigan Operations Governor: Economics - \$234,300	FTE Gross	71.0 6,543,800	71.0 6,022,600			0.0 (521,200)			
Early retirement sick leave payout - (\$2,600 Transfer GF/GP to Mgmt. Srvs. & MHC - (\$2600) Reduce collection purchases - (\$252,900)	0) GF/GP	6,543,800	6,022,600			(521,200)			
Senate:									
Library Services and Technology Act	Gross	5,557,400	5,557,400			0			
Governor: No change from current year.	Federal GF/GP	5,557,400 0	5,557,400 0			0			
Senate:									

							CHANGES FROM FY 2006-07			7
			FY 2006-07 YTD	FY 2007-08 GOVERNOR	FY 2007-08 SENATE	FY 2007-08 HOUSE	GOVERNOR	SENATE	HOUSE	CONF/ENACTED
DE	PARTMENT OF HISTORY, ARTS AND LIBRARIES									
5.	State Aid to Public Libraries Governor: Reduce by 50% - (\$6,071,500)	Gross GF/GP	12,143,000 12,143,000	6,071,500 6,071,500			(6,071,500) (6,071,500)			
	Senate:									
7.	Subregional State Aid Governor: No change from current year.	Gross GF/GP	505,000 505,000	505,000 505,000			0			
	Senate:									

DEPARTMENT OF HISTORY, ARTS AND LIBRARIES

LANGUAGE SECTIONS

		FY 2006-07 <u>Section</u>	<u>Governor</u>	<u>Senate</u>	<u>House</u>	Conference/Enacted
1.	Outlines payment paid to locals.	201	201			
2.	Appropriations are subject to the Management and Budget Act.	202	202			
3.	Terms and Definitions	203	203			
4.	A department billed by the Department of Civil Service for the 1% charges authorized by Section 5 of Article XI of the State Constitution of 1963 by the end of the first fiscal quarter shall pay the total amount of the billing by the end of the second fiscal quarter.	204	204			
5.	Describes the hiring freeze on state classified civil service positions, exemptions to the freeze and the quarterly reporting requirement.	205	205			
6.	Requires the department to complete a project plan 60 days before any effort to privatize a state service, and to submit an evaluation of the privatization within 30 months to the appropriations subcommittees and the fiscal agencies.	207	Deleted			
7.	Reports shall be submitted on the Internet.	208	208			

		FY 2006-07 <u>Section</u>	<u>Governor</u>	<u>Senate</u>	<u>House</u>	Conference/Enacted
8.	Prohibits the use of funds appropriated in this Act for the purchase of foreign goods or services when competitively priced American goods and services of comparable quality are available.	209	209			
9.	Requires the department to maintain affirmative action programs.	211	211			
10.	Requires the department to pay user fees to Department of Information Technology (DIT) for IT services and projects.	213	213			
11.	Permits designation of information technology projects as work projects.	214	214			
12.	Permits the department to provide various services to other state departments and charge fees to offset the cost of the services. Services may include training, software, facilities use, copying, storage, conference and census-related information and services. Funds received under this section shall be deposited in the history, arts, and libraries service fund.	215	215			

		FY 2006-07 <u>Section</u>	<u>Governor</u>	<u>Senate</u>	<u>House</u>	Conference/Enacted
13.	A fund known as the history, arts, and libraries service fund is created in the department. The fund may be used to receive and expend funds in addition to those authorized in part 1. The fund balance shall be carried forward by the department for expenditure in subsequent fiscal years. The department shall provide a report to the senate and house of representatives appropriations subcommittee on history, arts, and libraries of all revenues to and expenditures from the history, arts, and libraries fundincluding an estimated fund balance for the fiscal year ending September 30, 2007.	216	216 Deleted reporting requirement			
14.	Specifies restrictions on out-of-state travel for FY 2005-06, provides for exceptions, monthly reports of exceptions and an annual report.	217	217 Deleted fiscal year reference			
15.	It is the intent of the legislature to explore supplemental fund sourcing options for the department of history, arts, and libraries	218	Deleted			
16.	The department of history, arts, and libraries shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.	219	Deleted			

		FY 2006-07 <u>Section</u>	<u>Governor</u>	<u>Senate</u>	<u>House</u>	Conference/Enacted
17.	The department shall public the proposed minutes of the Michigan Film Commission meetings on the internet within 8 business days after the meeting to which the minutes refer and approved minutes within 8 business days of approval.	220	Deleted			
18.	Intent language to explore the costs and the benefits associated with strategically marketing this state's unique geographic and demographic filming locations through satellite film offices.	221	Deleted			
19.	Requires the department to take reasonable steps to ensure that businesses in deprived and depressed communities compete for contracts. Requires the Director to encourage firms with contracts to subcontract with certified business in deprived and depressed communities for services, supplies, or both.	N/A	222 New language added. Standard in most budgets.			
20.	Contingency fund language.	N/A	223 New language added.			

FY 2007-08

				FY 20	007-08	
		FY 2006-07 <u>Section</u>	Governor	<u>Senate</u>	<u>House</u>	Conference/Enacted
	Michigan Council for Art and Cultur	al Affairs				
21.	The Michigan council for arts and cultural affairs in the department shall administer the arts and cultural grants appropriated in part 1	401(1)	401(1)			
22.	The MCACA shall render fair and independent decisions concerning arts and cultural grant request and shall do all of the following: (a) Use published criteria to evaluate program quality including all of the following: (i) The department's intended goals and outcomes for each program. (ii) The department's quantifiable measures of success in meeting the intended goals and outcomes. (b) Seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received. (c) Give priority to projects that serve multiple counties, leverage significant additional public and private investment, or demonstrate a	401(2)	(2)			

significant potential to increase tourism or attract or retain businesses or residents.

		FY 2006-07 Section	<u>Governor</u>	<u>Senate</u>	<u>House</u>	Conference/Enacted
23.	The MCACA shall not award a grant unless the proposed grant recipient agrees to both of the following: (a) The grant will not be used to fund a project or activity that include displays of human wastes on religious symbols, displays a sex act, or a depiction of flag desecration. (b) Grant funding cannot be used to create or promote a specific work that includes a display or depiction for which funding is prohibited under subdivision (a).	401(3)	(3)			
24.	The MCACA shall provide for fair, equitable and efficient distribution of funds granted through the regional regranting program. The MCACA shall provide for an annual assessment of grant management and distribution of minigrant awards by designated regional regranting agencies and review the methodology employed.	401(4)	(4)			
25.	The MCACA shall continue and expand its efforts to encourage and support nonprofit arts and cultural organizations to transition from solely volunteer-based organizations to professionally directed operations. Criteria for support include the requirement of collaboration between these organizations and other community organizations.	401(5)	(5)			

		FY 2006-07 <u>Section</u>	<u>Governor</u>	<u>Senate</u>	<u>House</u>	Conference/Enacted
26.	The department shall withhold undistributed grant payments from a grant recipient who violates the terms of the agreement required under subsection (3) and may disqualify the grant recipient from award of future grants for a period of not more than 3 years.	401(6)	(6)			
27.	Lists eligible grant applicants and program categories	402	402 Combines Cultural Projects Program category and Historical Projects Program category into one called Cultural and History Projects Program.			
28.	From the state funds appropriated in part 1 for arts and cultural grants, no one organization may receive more than 16% of funding. It is the intent of the Legislature that this percentage be reduced to 15% in fiscal year 2007-08.	403(1)	403(1) Deleted intent language. Maintained maximum in first sentence at 16%.			
29.	The MCACA shall make every effort to provide total grant awards in the anchor organization program at a level not to exceed 70% of the total amount appropriated for arts and cultural grants.	403(2)	(2)			

		FY 2006-07 <u>Section</u>	Governor	<u>Senate</u>	<u>House</u>	Conference/Enacted
30.	As documented in the audit report that is submitted as part of the grant application process, the total of all grants awarded to any organization receiving grants within the anchor organization program may not exceed 15% of the their "total unrestricted revenues, gains, and other supports," as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations.	403(3)	(3)			
31.	Before any amount appropriated for arts and cultural grants in part 1 may by expended for a grant to an eligible recipient, the department shall execute a grant agreement with the recipient. The grant agreement shall identify the projects funded, specify the category in section 402 under which the grant is awarded, and include the prohibitions and sanctions identified in section 401(3) and (6).	403(4)	(4)			

		FY 2006-07 <u>Section</u>	Governor	<u>Senate</u>	<u>House</u>	Conference/Enacted
32.	Grant applicants must adhere to the following requirements: (a) Applicants are required to pay a non-refundable application fee of \$300.00 or 3% of grant amount, whichever is less. (b) Anchor organizations must submit most recent annual audit (within 18 months of applications) stating "total unrestricted revenues" as defined in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations. (c) Applicant must identify proposed matching funds on a dollar for dollar basis.	404	404			

		FY 2006-07 <u>Section</u>	<u>Governor</u>	<u>Senate</u>	<u>House</u>	Conference/Enacted
33.	Each grant recipient shall provide MCACA with: (a) Proof of the matching funds by the end of the award period. (b) Within 30 days after grant period: (i) Project revenues and expenditures including matching funds. (ii) Number of patrons (iii) Narrative summary of project and outcomes. (A)How the project supported achieving the department's intended goals and outcomes for each program. (B) How the project met the quantifiable measures of success in meeting the goals and outcomes (c) Each recipient of an award greater than \$100,000 shall report on the items under (b) by April 7.	405	405 Deleted outcomes measures report.			

		FY 2006-07 <u>Section</u>	<u>Governor</u>	<u>Senate</u>	<u>House</u>	Conference/Enacted
34.	Department reports: (a) Electronic report identifying the website for list of all grant recipients by county. This report must be provided to each legislator within 1 business day of award announcement. (b) Electronic report 30 days after announcement of awards that includes: (i) List of applicants (ii) County of residence of applicant. (iii) Amount requested. (iv) Amount awarded. (v) Grant category applied for. (vi) Summary of projects funded for each recipient. (vii) Expected number of patrons for each applicant during award period. (viii) Amount of matching funds for each applicant. (ix) List containing the applicant, county or residence of the applicant and amount awarded for any regranted funds in preceeding fiscal year. (c) Annual report that includes: (i) Guidelines for awarding grants, including intended program goals and outcomes, and quantifiable measures of success in meeting goals and outcomes. (ii) Summary of changes to guidelines from previous year.	406(1)	406(1) Deleted outcome measures report in (c) (1) and all of (d)			

		FY 2006-07 <u>Section</u>	<u>Governor</u>	<u>Senate</u>	<u>House</u>	Conference/Enacted
	 (d) An annual report to the appropriations subcommittees the state budget office and the fiscal agencies is due by February 1 on the success in meeting program goals and outcomes for the preceding fiscal year. The report shall contain the following: (i) The MCACA intended program goals and outcomes. (ii) A summary by program of performance according to the established quantifiable measures of success for meeting intended goals and outcomes. (iii) The reasons why outcomes or goals are not met. (iv) The plans for better achieving the outcomes and goals in the future. 					
35.	(2) Requires a report by August 1 of all unexpended or unencumbered discretionary grant funding available. Prohibition on redistribution of these funds without 10-day notice to Chairpersons of appropriations subcommittees.	406(2)	Deleted.			
36.	It is the intent of the legislature to amend the Income Tax Act to create a designation on the Michigan income tax form for contributions to the Michigan Council for Arts and Cultural Affairs grant program.	407	Deleted			

FY 2007-08

House

Conference/Enacted

Senate

		Section
37.	From the funds appropriated[for] arts and cultural grants, the department may assign priority funding to cultural and ethnic heritage centers and museums whose primary mission is to present, preserve and promote the culture and heritage of distinct ethnic and racial groups, and educate the public regarding their contributions, in a manner that fosters tolerance and understanding of diversity among Michigan citizens. These organizations must meet all other application eligibility criteria and requirements in order to be considered for a MCACA grant award. Applications for these grants for fiscal year 2007 may be accepted by the department until November 30, 2006.	408

FY 2006-07

Governor

Deleted

		FY 2006-07 <u>Section</u>	<u>Governor</u>	<u>Senate</u>	<u>House</u>	Conference/Enacted
	Michigan Historical Program					
38.	The federal funds appropriated in part 1 for the historic site preservation grants are for work projects and shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the projects for which the funds were reserved have been completed or are terminated. The purpose of these work projects is the identification, designation, and preservation of historic resources. The method used will be to solicit applications form eligible recipients, score applications based upon established criteria, and award the contract and subgrants. The total cost of \$200,000 and the tentative completion date is September 30, 2007.	501	501 Reduced total cost of program to \$85,000 and changed date to 2008.			
39.	Funds collected by the department under sections3, 6, 7, and 7a of 1913 PA 271,399.3, 399.6, 399.7, and 399.7a [the Michigan Heritage Fund], are appropriated to the department for the purpose for which they were received and may be carried forward for expenditure in subsequent fiscal years.	502	502 Deleted reference to section 3 of PA 271 of 1913.			
40.	Exempts the museum store from portions of the Management and Budget Act to permit the store to do its own purchasing.	503	503			

		FY 2006-07 <u>Section</u>	<u>Governor</u>	<u>Senate</u>	<u>House</u>	Conference/Enacted
41.	From the funds appropriated in part 1 for historical administration and services, \$25,000.00 shall be allocated to support the operations of the Michigan freedom trail commission as specified in section 4of the Michigan freedom trail commission act, 1998 PA 409, MCL 399.84. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and hire not more than 1.0 FTE position in the department's Michigan historical center to support commission operations.	505	505 Changed "shall" to "may".			
42.	Proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum are appropriated to the department and may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons, vice chairperson, and minority vice chairpersons of the senate and house of representative appropriation subcommittees on HAL 1 week prior to any auctions or sales.	506	506 Deleted notification to subcommittees.			

FY

		2006-07 <u>Section</u>	<u>Governor</u>	<u>Senate</u>	<u>House</u>	Conference/Enacted
de th us m of su ex	nless prohibited by law, the epartment shall make available to e historical society of Michigan the se of the Michigan history agazine subscriber list or a portion the Michigan history magazine ubscriber list, at a cost not to acced the actual expense incurred r providing a single mailing.	507	Deleted			

		FY 2006-07 <u>Section</u>	Governor	<u>Senate</u>	<u>House</u>	Conference/Enacted
	Library of Michigan					
44.	In order to receive subregional state aid as appropriated in part 1 to the library of Michigan, a subregional library's fiscal agency must agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a unit of local unit of government that is the subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a subregional library's fiscal agency or a reduction in expenditures for the subregional library shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1.	601	601			
45.	The appropriation in part 1 for a subregional library shall not be released until a budget for that subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.	602	602			

		FY 2006-07 <u>Section</u>	Governor	<u>Senate</u>	<u>House</u>	Conference/Enacted
46.	The funds appropriated in part 1 for book distribution centers shall be equally distributed to the public enrichment foundation and the Michigan friends of education.	607	Deleted			